



April 11, 2006

Doug Jensen
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114

Re: Star Stone Quarries, Inc. - Escalation Reclamation Surety
Cotton Thomas Operations M/003/024 ✓
Rosebud Mine M/003/026
Peoa Blonde Quarry M/043/012
Heber Quarry M/051/001

Dear Mr. Jensen,

We received a letter regarding the Divisions' denial of the request for time extension and would like to inform you of our efforts to provide the escalated sureties for the referenced operations.

Since that letter we have been working diligently with the Division Minerals Surety Coordinator, Beth Ericksen, to ensure that the proper documentation is completed. This has included multiple phone discussions with Ms. Ericksen regarding the confusion generated by your letters as to the escalated surety amounts and the changes necessary for each quarry. Through this effort we have determined that there are issues relating to the Certificates of Deposit because of age and institution changes. These changes will be remedied as quickly as possible, however there may be a delay that is not within Star Stone's control because we are working with a 3rd party. On Wednesday we will be discussing with Ms. Ericksen, in more detail and by quarry, the necessary requirements for updating the insurance bonds and making sure that the proper riders are produced.

As part of those discussions with the Division we had requested clarification on the surety estimates verses the information listed in the letters sent, to date we have not received clarification and will use the surety estimate that was attached to the letters in obtaining the surety.

We will continue to work diligently and rapidly with the Division to obtain the proper documentation of the escalated surety for the referenced quarries but do request some leniency with the imposed April 14th deadline.

Sincerely,

Lon Thomas
President

Cc: Beth Ericksen, DOGM
Daron Haddock, DOGM
Susan White, DOGM
Lynn Kunzler, DOGM
Mike Ford, BLM

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DIV. OF OIL, GAS & MINING